

FISCAL IMPACT STATEMENT ON BILL NO. **H.4353**

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TO:	The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	February 2, 2006	SBD:	2006017

AUTHOR:	Representative Pitts	PRIMARY CODE CITE:	59-111-410
SUBJECT:	Tuition Exemption for National Guard		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

This Bill would amend Article 6, Chapter 111, Title 59 of the Code of Laws such that qualified members of the South Carolina National Guard who are enrolled in public higher education institutions would receive free tuition as long as the member is in the National Guard or until the member receives a bachelor's degree. Under current provisions, members are eligible for one-half tuition exemption for up to twelve credit hours that is optional contingent upon seat availability.

EXPLANATION OF IMPACT:

The Commission on Higher Education (CHE) indicates enactment of this Bill would result in a loss of in-state tuition revenue. The Adjutant General's Office indicates there are currently 9,956 SC Air and Army Guard members in the state. Approximately 85% (or 8,419) do not hold a baccalaureate degree. Currently tuition is estimated at an average of \$4,661 across all 33 public institutions. The impact to any single institution would vary depending on the number of eligible National Guard member's enrolled. CHE estimates the maximum potential loss of tuition revenue at \$39.2 million annually (8,419 x \$4,661) or \$157 million over the four-years it would take to earn a baccalaureate degree.

Additionally, section 59-111-420 (F) requires CHE to validate the National Guard's list of eligible participants and forward exemption certificates to the appropriate institution's registrar office. If sufficient numbers of students take advantage of this provision, CHE estimates the need for additional part-time staffing at \$10,400 annually (\$10 per hr x 20 hrs per week x 52 weeks).

SPECIAL NOTES:

Enactment could attract additional enlistments into the National Guard thereby further impacting tuition revenue. The South Carolina National Guard is currently at 88% of its required strength level.

Approved by:



Don Addy
Assistant Director, Office of State Budget